



CHAPA Housing Briefs

June 9, 2014

State Updates

The Legislature is in the final two months of the current two-year session. As this is the second year of the legislation session, all major pieces of legislation must be voted on by the House and Senate by July 31st. Any legislation not considered by that time will need to be re-filed at the start of next session.

State Budget Update

Now that the House and Senate have passed their budgets, a Conference Committee is working to reconcile the differences between the two proposals. Both the House and Senate budgets make new investments in housing and homelessness prevention.

The House increased funding for the Massachusetts Rental Voucher Program (MRVP), Residential Assistance for Families in Transition (RAFT), Home and Healthy for Good, and DMH Rental Subsidies. The Senate proposal increased funding for MRVP, RAFT, and the Alternative Housing Voucher Program (AHVP). While both the House and Senate provide funding for the Community Preservation Trust Fund out of the FY2014 budget surplus, the House maintains funding at \$25 million while the Senate includes \$10 million. The Senate also included forward funding for Fuel Assistance to ensure households will receive fuel assistance even if there are delays in federal LIHEAP funding. While some housing programs received increases, the Housing Consumer Education Centers were cut by \$900,000 in the House and \$250,000 in the Senate, public housing received \$400,000 cuts in both Chambers, and programs such as the Tenancy Preservation Program were kept level with FY2013. For an analysis of funding levels in recent fiscal years, click [here](#).

Upcoming Events

June 10, 2014

CHAPA and NeighborWorks America Invite you to join us for a Health and Housing Roundtable Discussion
Springfield, MA

June 11 & 12, 2014

MHP 8th Annual Massachusetts Housing Institute

June 13, 2014

Governor Deval L. Patrick Celebrates the Second Annual Housing Week with a Special Homeownership Announcement

To view all CHAPA events please visit www.chapa.org/event



In addition to funding differences, the House and Senate took very different approaches to funding MRVP. The House increased funding from \$57.5 million to \$60.5 million while also carrying over unspent funds from FY2014, bringing the total available for MRVP in FY2015 to more than \$70 million. Because the line is funded at \$60.5 million for FY2015 in the House, the program would not be able to carry over commitments beyond \$60.5 million into FY2016.

The Senate budget approves \$70 million in funding for MRVP and changes the distribution method for MRVP so that all mobile vouchers will be distributed through a new online application and waitlist, explicitly stating that mobile vouchers can no longer be distributed through the emergency assistance shelter system. The Senate budget requires DHCD to complete the new online application and waitlist by September 1, 2014. DHCD has expressed concerns about meeting this deadline. As a result, CHAPA is requesting conferees extend the deadline to July 1, 2015 and allow DHCD to use other methods for this fiscal year only in order to ensure that vouchers are distributed quickly across eligible populations. In addition, although the Senate budget does not allow for FY2014 funds to carry over into FY2015; because of changes made in the FY2014 budget unspent MRVP funds would be transferred to the Housing Preservation and Stabilization Trust Fund, a flexible fund that DHCD has used to build supportive housing.

If the Senate language prevails and families in shelter no longer receive any vouchers that have previously been used to help families exit the shelter system, HomeBASE and RAFT play an even more important role in helping families to exit shelter. While both the House and Senate budgets increase the amount available to families through HomeBASE from \$4,000 to \$6,000, the House provides more funding at \$26

million and the Senate version gives flexibility to DHCD to establish a new cap on assistance. Although the House provides more funding for HomeBASE and RAFT, the House does not allow families to access more than \$6,000 between both programs. The Senate version allows families to access both programs. As the Commonwealth struggles to reduce family homelessness and the need for shelter, families must have access to all available tools that can help them remain housed or move into stable housing.

In addition to creating a new distribution method for MRVP, the Senate budget also authorizes the expansion of Housing Court to Barnstable County and the Islands. CHAPA appreciates this expansion, which will help to serve the nearly 1/3 of the state's population currently without access to Housing Court. In order to ensure that all of the state's population has access to Housing Court, CHAPA is supporting efforts to also expand Housing Court into unserved areas of Norfolk, Middlesex, and Suffolk Counties.

CHAPA appreciates the efforts of the Legislature and continues to reach out to Conference Committee members, Senator Stephen Brewer, Senator Jennifer Flanagan, Senator Richard Ross, Representative Brian Dempsey, Representative Stephen Kulik, and Representative Vinny deMacedo.

Economic Development Legislation

CHAPA recently joined Representative John Wagner, Chair of the Committee on Economic Development and Emerging Technologies, for a press event announcing major economic development legislation that will be considered by the House as early as this week. Seeing housing as key to economic development, the Committee announced the following investments, which are included in the bill:



- \$10 million for the Brownfields Redevelopment Fund;
- \$10 million for the Housing Development Incentive Program, doubling its current annual cap. The bill also eliminate the 50 unit per development cap;
- \$5 million for the Housing Preservation and Stabilization Trust Fund, recapitalizing this program which was established as part of the FY2014 budget and has been used to build supportive housing, fund the Secure Jobs pilot, and enhance HomeBASE household assistance to help families avoid or move from shelter.
- \$10 million for the Gateway Cities Transformative Development Fund to enable investments and technical assistance to revitalize and support residential, commercial, industrial and institutional development in Gateway Cities.
- \$1.5 million for the Working Cities Challenge, which builds on a new Federal Reserve Bank program offering grants and technical assistance for working cities to transform and strengthen local economies.

Brownfields Redevelopment Fund

Given current revenues, CHAPA is working with House members to increase funding for the Brownfields Redevelopment Fund to a minimum of \$15 million, which would bring total recapitalization this year to \$30 million. \$60 million is needed to keep the Fund operating for the next 5 years. CHAPA will continue to work with our partners and the Legislature to fully recapitalize the Brownfields Redevelopment Fund as quickly as possible, while also exploring options for a permanent funding stream.

Public Housing Reform

The Housing Committee continues to work on public housing reform legislation and has requested a deadline of June 18th to take action on the bill. A bill is expected to move out of the Committee at that time before being considered by the House and Senate.

DHCD Awards \$5.3 Million in LEAP and Capital Funds for State Public Housing

On May 19, DHCD **announced** the award of \$1.68 million in funding to three housing authorities and two regional consortia to launch the new MassLeap initiative. MassLeap will provide access to supports and services to state-funded public housing residents and Massachusetts Rental Voucher Program (MRVP) participants to them to increase their incomes, improve employment and career options through post-secondary education and training and build an asset base. It is a five year program, enabling participants to lay the foundation for long-term economic stability. DHCD intends to invest \$8.1 million in the program over the next five years. DHCD also announced the award of \$3.6 million to 12 local housing authorities under the Family and Elderly Housing Re-Occupancy Initiative. The award will enable the authorities to repair 76 units with high capital needs to return them to occupancy or avoid future delays in re-occupancy. The award average about \$60,000 for family units and \$41,000 for the elderly units.

State Unveils Action Plan to End Homelessness among Older Adults

Last month, the state Interagency Council on Housing and Homelessness and the Executive Office of Elder Affairs issued an **Action Plan** outlining short- and longer-term steps the State should take to reduce and prevent homelessness among older adults (50+) in Massachusetts and address their housing needs. It notes the lack of good data on the total number of homeless and at-risk older adults in Massachusetts. Using surveys by a number of shelter providers in 2012 and 2013, it was able to shed some light on the nature of the problem. The surveys found 700-950 homeless older adults (most between 50 and 61 in age), about half of whom were chronically homeless and at least 400 of whom had disabilities. Many had health problems more typical of persons 15 years older. The report outlines a number of promising best practices locally and nationally.

Federal Updates

Julian Castro Nominated as new HUD Secretary; Donovan to head OMB

President Obama has **nominated** HUD Secretary Shaun Donovan to be the next director of the federal Office of Management and Budget (OMB) and nominated Julián Castro, the current Mayor of San Antonio to be the next Secretary of HUD. Both nominations will require Senate confirmation.

House and Senate set 302(b) Allocations

The Senate Committee on Appropriations recently approved the 302(b) **allocations** for FY2015; 302(b) allocations set budget authority and outlay limits for each of the 12 appropriations bills. The Senate **allocation** for the Transportation, Housing and Urban Development (THUD) bill provides \$54.4 billion in budget authority, \$2.41 billion more than the House **allocation**. The higher Senate figure reflects, in part, the decision by Committee Chair Barbara Mikulski to spread the reduction necessary due to lower estimates of FHA receipts among several appropriations subcommittees, rather than taking the full reduction out of the THUD allocation.

House and Senate Appropriations Committees Approve FY2015 Appropriations Bills for HUD

The House and Senate Appropriations Committees approved FY2015 appropriations bills for HUD on May 21 and June 5, respectively. The full House is expected to begin considering the bill today (June 9) and the Senate may consider the bill the week of June 16. The Senate bill provides a higher funding level than the House, but both bills fail to fund full restoration of vouchers lost to sequestration in FY2013, according to an **analysis** by the Center on Budget Policy and Priorities (CBPP). However, CBPP says that the Senate committee report leaves open the possibility that voucher renewal funding may be increased in the final bill based on voucher leasing trends. While the Senate bill details were not yet available as of June 6, published summaries indicate that the Senate bill provides higher funding than the House proposal for HOME (\$950 million), CDBG, public housing and homeless assistance grants, and unlike the House, includes language increasing the number of units that can use the Rental Assistance Demonstration to 185,000. Both bills provide \$9.7 billion for project-based Section 8 renewals, adopting the administration's proposal to move to calendar year funding. The National Low Income Housing Coalition has posted a budget **chart** with details on the House subcommittee bill.

HUD Issues Notice on New Public Housing Flat Rent Floor

HUD has issued a **notice** (PIH 2014-12) implementing a provision in the FY2014 Appropriations bill changing the way flat rents in public housing are set. Flat rents, introduced in 1999, are seen as a way to avoid the potential disincentives to work and to continued residency by working families created by income-based rents. A 2008 **study** found that 11% of households nationwide paid flat rents at the end of 2005. Under current law, all public housing agencies (PHAs) must offer a flat rent option annually, allowing households to decide each year whether to pay a rent based on comparable market rents rather than based on their income. Households can switch back to income based rent at any time due to financial hardship. Until now, PHAs have had discretion in defining the market rent used to set the flat rent. The FY2014 Appropriations Act changed that by requiring that flat rents equal at least 80% of the local Fair Market Rent and it set a deadline of June 1, 2014 for implementation. (Increases phase in if the floor would raise a tenant's current payment by more than 35%). The HUD Notice provides "interim guidance" on implementing the rent change; it will begin rulemaking within the next six months.

No action is required of PHAs whose flat rents are above the 80% of FMR floor. However, in cases where the new floor will require an increase, PHAs must first amend their PHA plans. The Notice requires larger PHAs (550 or more units and vouchers combined) to initiate the process to amend their PHA plan by June 1. Smaller PHAs must initiate the public hearing process no later than June 1. PHAs must begin using the new flat rents for new applicants and at annual recertification by October 31, 2014.



Recent Research & Reports

NHC Brief Details How Behavioral and Cognitive Principles Can Support Self-Sufficiency Programs

A new **brief** from the National Housing Conference's Center for Housing Policy, Strengthening Economic Self-Sufficiency Programs, reviews how recent advances in understanding the impact of stress and poverty on executive function, learning and behavior can inform sufficiency program design, operations and cost. Much of the new knowledge derives from recent local research, including a **study** by Crittenton Women's Union in Boston. The brief describes several promising models, including one used by the Cambridge Housing Authority. Recommended features include high-touch models, with intensive coaching, frequent feedback and multiple chances, combined with ongoing program evaluation.

National Healthy Housing Standard Released

The National Center for Healthy Housing has created a National Healthy Housing **Standard** which lists, in a housing code format, the construction and maintenance standards housing should meet to be provide a healthful environment, with descriptions of the reasons for individual standards.

School Enrollment Dropping in Many Massachusetts Communities

A short **report** on the Boston Business Journal website highlights overall decline in school enrollment in many central and western Massachusetts communities, as predicted by demographers in light of the aging population and trend toward smaller households in the state. The report notes the varied size and de-

mographic characteristics of the 30 communities with double digit growth between 2003 and 2013, including several relatively small communities in southeastern Massachusetts, older cities such as Revere and Everett, and more affluent Greater Boston suburbs. Overall, DOE **statistics** indicate that statewide K-12 enrollment in 2013 was 3.6% below the 2003 total.

Affordable Transit Oriented Development as a High Value Climate Protection Strategy

A new study by the California Housing Partnership quantifies how including affordable housing in transit oriented development (TOD) increases the climate protection benefit of TOD. *Why Creating and Preserving Affordable Homes Near Transit is a Highly Effective Climate Protection Strategy* notes that the vehicle miles traveled per day by extremely low income households is 50% lower than that of higher income households in general (i.e. when comparing groups with the same access to transit). The difference is even larger among households living within ¼ mile of high-frequency transit (bus or rail with frequent daytime service, as well as weekend and night service). In those cases, the average VMT for ELI households is 60% lower than that of households with incomes of 120% AMI or above.

Based on these findings and the long-term impact of investing in housing, the authors recommend setting aside a portion of state cap and trade funds to finance transit oriented housing, with a mandate that developments include at least a 10% set-aside for ELI households and use of additional criteria that support greenhouse gas reduction (e.g. points for higher percentages of units affordable to extremely- and very-low-income households and for providing incentives to use transit and reduce car use).

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